

Abusive Credit Card Practices

Real People, Real Stories

Thomas of Indianapolis, Indiana

"I have had teaser rates go up 20% or more for no reason. I was paying above minimum payments and on time, often twice each month to payoff previous medical debts. After transferring balances with "lifetime rates of 5 or 6 percent," I have had rates jump up to 12% and even 20 % with NO explanations."

S. 414 protects consumers like Thomas by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Frank of Ralph, Alabama

"The APR on my card went from 13.99% to 29.99% because of one late payment. I thought I had scheduled an electronic payment from my bank to my credit card, but received notice that I had not made my payment due 8/29/08. I immediately made a payment on 9/05/08. However, my statement received 9/08/08 noted that my APR was now changed from 13.99% to 29.99%. I had been making timely payments before this occurred."

S. 414 protects consumers like Frank by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Shirley of Anchorage Alaska

"I was in the hospital and missed one payment. My bank immediately canceled my account and raised my interest rate to 31%. I hardly think this is fair to consumers. Why do they not have any rules regarding these issues?"

S. 414 protects consumers like Shirley by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Brad of Tucson, Arizona

"I recently made a payment by phone for a credit card payment. The payment was made on the due date, and the due date fell on a Sunday. The credit card company said I was late by a couple of hours, therefore my rate jumped from 4.99% to 28.99%. This jump increased my monthly payment so much that one of my other payments could not be made on time, because I now did not have the funds to make both payments. Now I can't make either minimum."

S. 414 protects consumers like Brad by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Sandra of Lonoke, Arkansas

"I received a new credit card bill and they upped my interest rate to 38.9% interest and I have never been late with a payment to them. They also have a \$3.00 fee on top of that. These kinds of interest rates are criminal."

S. 414 protects consumers like Sandra by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Vanessa of Long Beach, California

"I am so tired of credit card companies hiking up interest rates when you're late with a payment, to 32%. There should be a limit to what the highest interest can be, and it should never double the original interest rate [set] when you first signed on!! Over-limit fees are a huge scam, because they set the limit and then approve the over-limit amount by approving purchases - why am I paying for something they approved in the first place? Big, big, rip offs. That's why I have one credit card I can trust, the rest are rip offs.....never, never again!!"

S. 414 protects consumers like Vanessa by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations. In addition, S. 414 gives consumers the choice to prohibit creditors from completing transactions that would place the account over the credit limit.

Bill of Santa Cruz, California

"The company raised my interest rate to 34% over night for no reason. I was forced to take money out of my IRA to pay off the balance. They encouraged me to transfer all of my business debt to the card, and they claimed it would continue to be a low 8 % rate. These people need to be regulated!"

S. 414 protects consumers like Bill by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

David of Pasadena, California

"One of my credit cards has just increased my rate from 7.99% to 32.18%. They did this without any advance notice; it just appeared on my statement. I have not been in default or even late with this bank or any other monthly card payment, or for that matter, with any of my business or personal utilities. I, of course, have called them to see what was going on. They only tell me I am now a 'higher risk' than I was before. When I ask for specifics, they say, 'well it could be a number of things,' and then recite about a half dozen items it 'might be.' When I ask for specifics, they tell me 'I don't have that information and even if I did I couldn't tell you.'"

I seem to have nowhere to turn. I keep asking for someone to talk to about this, and all they have done is furnished a fax number to 'customer service,' which of course I have written and now am waiting for a response which may or may not come before my next payment is due. So, I am now forced to do one of the following: pay their loan shark rates (which I could not afford to do for any length of time), or go into default by not paying which of course will cause them to further increase my rate (which I then definitely couldn't pay). T

his second option would also adversely affect my credit rating and cause my other card rates to immediately escalate. Or...maybe I should just call it a day and file bankruptcy. This is a seriously scary situation. I am on the brink of possibly losing my credit rating which will put me out of business."

S. 414 protects consumers like David by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Robin of Lake Forest, California

"I have been a credit card customer since 1988. I've never missed a payment, nor made a late payment, nor gone over my credit limit. Most months I pay the balance in full, some months I don't. I just got informed my APR is being raised from 11.9% to a MINIMUM of 18%! When I called to opt-out, I was hung-up on [after being put on hold]. This is the thanks I get for being a good customer?"

S. 414 protects consumers like Robin by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Renee of Huntington Beach, California

"I just received my November 2008 monthly statement for my card. I use this card for medical purposes only and it has a balance of \$4,700 at a 9.9% fixed rate and I've never been late on a payment, or any others for that matter. I also have a very good FICO score. However, there was an amendment notice in the statement advising that effective on the first day following my statement closing for December 2008, my account will be switched to a variable APR with a margin of 20.49 above prime which they calculate as 25.49%. I'm incensed!!! This is higher than a loan shark!"

S. 414 protects consumers like Renee by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Adam of Colorado Springs, Colorado

"My interest rate went up because my credit card company received my payment two days late. The interest rate went from 9.99% to 17.99%. I have always paid on time, but last month they got the check two days late. It went up 8%, I cannot believe it. When I called them to talk about it they told me that I was late and the law says they can raise

the interest as they please. It's time for a big change in the credit card industry; it's time to create laws that protect the customer/victim."

S. 414 protects consumers like Adam by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

James of Littleton, Colorado

"I recently signed up with for a business credit card at 7.99% for both purchases and cash advances. After 4 months, without notice, they raised me to 25.49% and 30.49% respectively. As I had no payment problems, I called and asked why, and the agent said for various reasons, but could not explain them."

S. 414 protects consumers like James by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Pauline of Wheat Ridge, Colorado

"My credit is considered good, around 748, and I do have credit card debt that I am managing. I, like many people, want to honor my debt and pay it off but when my credit card payment is one day late and the companies have the ability to double the interest, tack on ridiculous fees, change the original agreement of the card, which then can effect any other credit card you have is criminal.

The banks and credit card companies have been gorging off of the consumers and without any [restrictions] for the past 7 years. This has gotten way out of balance. The citizens of this country need to reclaim their rights and hopefully regain their credit. You would think that I could find a card that had a decent interest rate, and yet when I call my card company asking them to waive the annual fees and lower my interest rate they won't, even when I tell them I will find another card to do business with. Then when I shop around, I am given the same interest rate that I already have on cards that seem too high. When I ask why with good credit standing and on-time payments, they cite the one time I paid 1 day late. This to me is absurd. It is like they purposely want to hold you to any small slip-up so they can squeeze you further.

Well, they have squeezed us all into foreclosures, bankruptcy and an inevitable recession, all due to greed. Give the public REAL interest rates on savings account and manageable debt interest rates. Then maybe we can do business again, responsibly."

S. 414 protects consumers like Pauline by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Gail of New Haven, Connecticut

"I have had a charge 20+ yrs - pay in full every month except a couple of months ago. Paid half the bill and expected to pay the other 1/2 by due date after getting reimbursed

by my company. I forgot and paid the rest 7-10 days after due date. I was charged \$79 and my interest rate went from 24 - 29%. The statement disclosure is 3 pages and in tiny print. They need to highlight changes so you're not expected to read this in full every month."

S. 414 protects consumers like Gail by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

M.H. of Lewes, Delaware

"I did a balance transfer and the previous balance on the account was not credited the same day, so now I have a \$1200 balance at 13% and \$6000 at 4%. They pay the lower interest rate first so the \$1200 has not gone down for almost a year now. Also, a friend was one day late on her credit card payment and they bumped her interest rate to 30%, and charged a \$45 fee. Her rate will not change for six months; they called this a default and not a late payment. She was never late before. Please save us from these crooks."

S. 414 protects consumers like M.H. by requiring credit card companies to allocate payments more fairly to account balances with different interest rates. Under the bill, payments in excess of the minimum must be applied to the balance with the highest interest rate or split proportionately among the balances (pro rata).

Donna of Ocala, Florida

"I was recently charged with a finance charge on a zero balance. When I called about this, they refused to remove the finance charge. If this is how they do business, [no consumer will ever] be free of charges. I closed my account. Guess what I don't have in my wallet?"

S. 414 protects consumers like Mary by prohibiting double cycle billing.

Michael of Groveland, Florida

"I recently received my credit card statement on the 10th of October, and it had a closing date of September 19th. The mail distribution center in Orlando date stamped the envelope "October 8th," and it was already past due on the 10th of October. I phoned the credit card company, who informed me [that bills] always leave the day after closing – [the bill] should have been mailed the 20th of September. I have just received my new statement with a late payment penalty and an increase from 19% to 27% interest."

S. 414 protects consumers like Michael by ensuring they have time to make a payment. The bill prohibits credit card companies from treating a payment as late unless the bill is mailed or delivered to the consumer at least 21 days before the due date.

Jodie of Naples, Florida

"I received credit from a bank for an 8.9% rate. Last month they did the SWITCHEROO on me. They allowed my balance to be charged over the limit and fined me a \$39 fee. They also said my payment was late when it was in fact six days early, and fined me another \$39. At that point, of course, they raised my interest rate to 28.99%! Let's make them stop!"

S 414 protects consumers like Jodie by giving them the choice to prohibit creditors from completing transactions that would place the account over the credit limit.

Jack of College Park, Georgia

"My wages were cut and I have continued to pay my credit cards on time; however, two of my credit cards have raised my interest rates with little warning. I cannot continue to pay the new minimum payments. They are pushing me over the edge."

S. 414 protects consumers like Jack by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Dominique of Martinez, Georgia

"One company increased the APR on my credit card even though I had never been late. They cited the activity on my credit report. The activity came from banks requesting information so they could send me unsolicited pre-approved credit cards. I asked the bank to return the original rate, but they declined. I closed the account within two months of the hike in my rates and transferred the balance to a 0% card which was paid within the 12 month teaser rate."

S. 414 protects consumers like Dominique by eliminating the practice of "universal default." Under the bill, credit card issuers may not use adverse information about another consumer account or changes to the credit score, to justify an increased interest rate. The bill also prohibits card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Shawn of Watkinsville, Georgia

"I think I am pretty typical middle class. I am a local government worker (job pretty secure for now) with good health insurance, retirement plan and fifteen years of loyalty (both me to them and them to me). I am about to have 3 kids in college, and my wife works at home. I have a mortgage, a cell phone, 2 dogs, 2 cats and more consumer debt than I would like. Does any of this sound familiar? I hope so, because I think I am pretty typical. I have a second job, and I am barely making ends meet. I have it good. Really! My life could fracture at any time for a number of reasons but why focus on what if? I am paying my obligations.....all of them. I am feeding my family. I have no car payments. I occasionally take my wife out for dinner or to see a show. My biggest problem is that consumer debt.

In a nutshell: what happened to me is electronic banking. My bank and one of my credit card companies failed to agree on the paying/posting date of a bill when I converted everything to EFT (electronics fund transfer). Of course, they each say that I need to deal with the other about it. So what happened is that one payment got messed up and this caused all my other credit card companies to cut my available credit in half, which in turn made my balances very near or at my limits, which in turn made my credit score go down, which in turn made my interest rates skyrocket. Talk about a snowball effect!

Many, many, many phone calls resulted in no help. So I froze my credit cards and make slightly more than the minimum payment each month. Eventually (I figure 10 more years) I will get everyone paid off and have mountains of available credit.

S. 414 protects consumers like Dominique by eliminating the practice of "universal default." Under the bill, credit card issuers would be prohibited from raising interest rates based a customer's bill paying record with other creditors. In addition, the bill limits the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Amar of Honolulu, Hawaii

"I have been ripped off by the bank applying my payments to low interest balances first and continue charging high interest on non-promotional balances. Also, it is unfair banks are able to change the terms of the agreement at will by just giving the consumer a short notice. The original agreement should be binding like a mortgage loan."

S. 414 protects consumers like Amar by requiring credit card companies to allocate payments more fairly to account balances with different interest rates. Under the bill, payments in excess of the minimum must be applied to the balance with the highest interest rate or split proportionately among the balances (pro rata). In addition, S. 414 protects consumers like Amar by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Troy of Kimberly, Idaho

"My card started out with a low interest rate that went to a rate of 16% and then to 21.99%. When I complained about the increase in rates I was told they could do it by law and if I didn't like it I could pay them off so that's what I did."

S. 414 protects consumers like Troy by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Sonja of Chicago, Illinois

"One of my credit cards encourages me to "go paperless" and pay my bills online. However, it seems like half the time I sign in to pay my bill, the website is 'down.' If I pay by phone, I'll be charged a fee. A few times I've missed the payment window because

the website has been down when I've attempted to pay. If I call to complain, I have several minutes on hold."

S. 414 protects consumers like Sonja by prohibiting card issuers from imposing extra fees when customers pay by phone or online.

Jim of Pleasant Plains, Illinois

"The due date on my card has been the same for years. I have worked it into my budget. Right after I used one of their courtesy checks to help my daughter escape from her credit cards' abusive practices, they moved my due date up 6 days. I didn't notice until I saw the late fee on my statement, which means that the next month was late as well. Do they not understand how a family budget works? I have to move this bill from one paycheck to another so it will be on-time in the future. Besides the \$78 in late fees this will probably cost me the promotional 3.99% rate that went with the courtesy check. There ought to be a law!"

S. 414 protects consumers like Jim by ensuring they have time to make a payment. The bill prohibits credit card companies from treating a payment as late unless the bill is mailed or delivered to the consumer at least 21 days before the due date.

Sam of Denver, Iowa

"It is not fair for a credit card company to offer you a low rate, and then raise it because they go BACK in your history and see a late payment from someone else. Once they offer you a rate, they should not be able to change that rate based on history especially with someone else. They should be able to only look at FUTURE from that point on."

S. 414 protects consumers like Sam by eliminating the practice of "universal default." Under the bill, credit card issuers would be prohibited from raising interest rates based on a customer's bill paying record with other creditors.

Diana of Winfield, Kansas

"My business credit card company notified me they were raising my interest rate to 19.9%. I called the credit card company to find out why my rate went so high. I was told that the company raised everyone's rates. She looked up my account & agreed that I always paid on time, usually paid off the card each month, had no late payments, etc. They would not lower my rate, and I was told my only option was to cancel the card or pay the new rate."

S. 414 protects consumers like Diana by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Edmund of Richmond, Kentucky

"I've never been late or over-limit. I've always paid more than the minimum balance. I especially liked the addendum that said 'You agree that we are authorized to allocate your payments and credits in a way that is most favorable to or convenient for us.' The example they use basically states that they will pay the lower interest balances first leaving the higher interest balances to collect interest regardless of chronological order. If I opt out - I lose the use of the card and still have to pay the increased interest."

S. 414 protects consumers like Edmund by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Stephen of New Orleans, Louisiana

"My bank jacked my credit card [interest rate] to 28% [even though] I have good credit and don't deserve to be treated this way. By the way, I used my cards to help rebuild my flooded home, so this is a grievously disturbing action."

S. 414 protects consumers like Stephen by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Anne of Belfast, Maine

"I have six credit cards, none with very high limits, I have always paid them off or at least twice the 'minimum amount due.' Over the course of this summer, four of them have raised my interest rates by as much as four percent. Without giving a concrete reason to do so ('After routine review of your accounts...'), my only options stated in the notice are to either accept the increases or cancel the cards and pay [my debts] off at the current rates. Now, what would it do to my credit rating if I all of a sudden dropped four accounts? They know they've got me trapped. While I'm keeping them open for my credit score's sake, all four are going in the freezer to never be used again. I'll cancel them over time in such a way as to not screw up my credit."

S. 414 protects consumers like Jack by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Ann of Glen Burnie, Maryland

"Recently, I made an online payment for a credit card with a balance transfer on it that had a very low rate of 3.99%. My payment was at 4:08pm. It was due by 4:00pm that same day. I not only got hit with a late fee, but they raised the rate to 28.99%. So far I have been unable to get them show any mercy."

S. 414 protects consumers like Ann by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Elaine of Owings Mills, Maryland

"I signed up for a card in August of 2007, which offered me a 0% interest rate until August of 2008. In September of 2008, my husband's job transferred him to the corporate office and we moved to a new town. I had difficulty finding a job right away, and we took a big hit in income to the tune of \$50K. Finally, I found a temporary to permanent position in November; however, this did not offer benefits. My husband was laid off from his job in December 2007. I accidentally made a late payment in November (a total oversight on my part) and my interest rate ballooned to 28%. I have always paid almost triple my minimum payment each month. Now, in July 2008, my interest rate is still 28% and I have paid down the debt by about 20%, but because the interest rate is so high, it eats almost 1/4th of my payment each month."

S. 414 protects consumers like Elaine by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Eiran of Lenox, Massachusetts

"I have a credit card. The interest was 16.99%. In my last bill I noticed they had jacked up the interest to 35%!!! I have always paid on time, always more than the minimum asked. My credit score has increased and is way above the US average. When I called to complain, I was told there was nothing they could do. This is highway robbery in broad daylight! No wonder the economy is in such a mess!! I plan to stop using this card."

S. 414 protects consumers like Eiran by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Leon of Three Rivers, Michigan

"I was penalized recently with my rate going from 15.99% all the way up to 21.99% on merchandise purchases and 29.99%. When I called to inquire why my rate was changed, they told me that they could change my rate anytime they wished for any reason and that they do not have to tell me why. I have had that card for over four years and have never paid late, I am not DWOC with any of my accounts and my credit to usage ratio has been dropping each month, decreasing the bank's risk each month. They did send me a letter recently which stated: 'We have the right to change your APRs, fees, and other terms at any time, for any reason including, but not limited to, any change in your credit history, credit obligations, account performance, use of credit lines with us or other creditor, or our financial return. Any such changes will be in accordance with your Card Member Agreement and applicable law.'

Did you get that they can change my rate because of their financial return, so in essence I have to pay for their poor risk management in the housing market? I would say I know a lot more about the effect of the credit card industry's abusive behavior on the economy than most American's because I work for one of the larger card issuers in America."

S. 414 protects consumers like Leon by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

N.M. of Otago, Minnesota

"My daughter always paid her monthly balance on time. A recent divorce created monetary issues and [she] paid one minimum balance late. Her rate increased from 6.9% to 27%. In other words, no [rewards] when fully paid, but heftily punished now that things are more difficult. This just creates more hardship and debt. Credit card companies have become loan sharks, and should not be allowed to have such power over people. Rates should be controlled."

S. 414 protects consumers like N.M.'s daughter by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Margaret of Independence, Missouri

"I was just informed that the interest rate on my card that was issued to me roughly 2 years ago will go from 11.99% interest (which isn't exactly low to begin with) will now be raised to 20.99%! I was given the option to 'reject' this interest hike, but by doing so I am no longer allowed to use this card. I have NEVER been late on a payment (my payment is always made before the due date) on this credit card or any of the others that I have. I, too, rely on this card to make ends meet at times. I am a single parent (no child support) on a fixed income. When I called to question the reason for the hike I was told that there were a few blemishes on my credit report. This is nothing but lip service. The blemishes that they gave me were on my credit report when they issued the card. Also, they just raised my credit limit \$5,000 dollars a few months ago. I am livid! This has got to stop!"

S. 414 protects consumers like Jack by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes. In addition, S.414 protects consumers like Dominique by eliminating the practice of "universal default." Under the bill, credit card issuers would be prohibited from raising interest rates based a customer's bill paying record with other creditors.

Doug of Omaha, Nebraska

"I have seen a number of my credit cards notify of impending rate increases. While I have opted out of all of them, this lowers my available credit since they are now requiring me to close those accounts. In doing so, it negatively affects my credit score because of the lowering of my available credit. So, I have to choose, lower score or pay the credit card companies a big fat raise that they do not deserve! I chose closing the accounts as part of opting out."

S. 414 protects consumers like Doug by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Ronald of Henderson, Nevada

"My business slowed down and I was unable to make a few credit card payments. The company raised my interest rate to 29.99% and charged me late fees that took me over my limit and then charged me over limit fees in addition to the late fees. I won't pay them. This has got to be the definition of 'predatory lending' and unfair business practices."

S. 414 protects consumers like Ronald by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Phyllis of Brentwood, New Hampshire

"My interest rate went up on one card from 5.99% to 10.25% for no reason - I was not late or over the limit. I called and was told that it was not unique to me that they did this to most customers. Also, my credit limit on another card was cut from \$15,000 to \$10,000 which hurt my credit rating because my loan to limit value was higher. Again, not for any reason that I did but because they cut everyone down to \$10,000 from what they told me."

S. 414 protects consumers like Phyllis by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Mark of Washington Township, New Jersey

"I had a checking account and three credit accounts with my bank. I usually pay more than the minimum on each of them, but because of the high balance on each (I had to use credit to pay for food, gas, veterinarian bills, etc.), they raised my minimum without notice, and one of the accounts was assessed a fee which placed the balance over the limit thereby assessing more fees. And then the APR's went up on the balance, causing the fees to start all over."

S. 414 protects consumers like Mark by prohibiting card issuers from imposing an over the limit fee if it is the issuer's own fee, not the consumer's credit transactions, which cause the account to go over the limit.

Linda of Tomkins Cove, New York

"My APR was raised from 15% to 38% by my bank after 15 years of perfect credit, then they lowered it to 28.99% after I complained. Another bank upped my rate to 28.99%. After I complained and completely paid my two cards off, the other bank lowered my line of credit on one card from \$10,500 to \$1,500, and another card to \$600 which also had a high line of credit. This after over ten years of perfect credit with them. It seems strange that when I turned 65 I became less credit-worthy, but they were willing to give me an 'Equity Line of Credit.'"

S. 414 protects consumers like Linda by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes. In addition, S.414 protects consumers like Linda by eliminating the practice of "universal default." Under the bill, credit card issuers would be prohibited from raising interest rates based a customer's bill paying record with other creditors.

Jane of Getzville, New York

"Through the bitter experience of an acquaintance, I discovered that parents can be held liable for the debt of children living in their home when they didn't even know and had no way to know that the child had a credit card. The credit card companies market to children and then hold the parents liable."

S. 414 protects consumers like Jane by limiting aggressive marketing and irresponsible lending to young consumers without the ability to repay debt.

Thomas of New York, New York

"On Veterans Day, the banks were closed and instead of paying my credit card at a branch, I tried to do it over the phone. When I asked the representative to waive the excessively high fee, she snapped back in a nasty manner: 'Too bad, you should plan earlier.' With this card, I have paid on time with all of my payments and all of a sudden they have levied a 27.5% interest rate on me because they feel they can, even though I have always paid my bill on time."

S. 414 protects consumers like Jack by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes. In addition, the bill prohibits card issuers from charging extra fees when customers pay their bill by phone or online.

Candy of Charlotte, North Carolina

"I had a card with my bank. Because of a payment being one day late, they charged me \$39 and raised my interest rate from 21.99% to 31.99%!! It was an outrageous penalty. I ended up borrowing money to pay off my bank. Now my loan is for 5 years at 18% and at least it will be paid off one day in my lifetime, where as \$4K at 31.99% would take a couple of decades to pay off. I have also paid for over 5 years on a canceled retail store credit card, and the balance almost never seems to move. I think that the credit card companies should not be allowed to raise the rates on old balances. That makes it nearly impossible to pay them off."

S. 414 protects consumers like Candy by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Dorothy of Hillsborough, North Carolina

"I have a credit card. I had a 5% interest rate. I had always paid this card on time and made sure that the bank mailed a check to them one week prior to the due date. I had one time where my check came one day after the due date. The company racked up my interest rate to 28%. My payment went from \$175 to well over \$400 a month. When I called them about this they said it was in the contract to raise the rates if we failed to make a payment by the due date, there was no 'grace' period (I was told to pay online so I would not have this problem... hmmm too bad I couldn't afford internet to pay online). Also, if they sent the statements further in advance then I could have spent more time getting a check to them!

"I have defaulted on other cards in a the previous year due to a divorce, so I knew if I didn't pay the full amount due it was going to get worse and I would have to write off this card too. I was okay with \$200 a month but now \$450 a month is too much. I call every month and ask for a lower rate and they refuse to budge. They do not care that I have had to cut out everything in my life to make these payments. I do not shop anymore, I drive a bike that gets 60 mpg to work and I eat as cheaply as possible. I no longer eat out or visit friends or family. How can we improve the economy when the credit cards gouge us and then wonder why we quit spending? I have gotten rid of all the remaining cards and now will not buy anything unless I have the cash for it. I refuse to use anymore credit cards. I have lost trust in the banks. They bring you in with low rates and then rack it up when it suits them! This needs to stop."

S. 414 protects consumers like Dorothy by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Susan of Kitty Hawk, North Carolina

"When I was doing fine and keeping up my payments to all my creditors, my credit card company RAISED my interest rate to 21% for no reason! Then I heard on NPR that they were struggling and yet gave their CEO's a bonus! So, apparently, I was helping pay for this."

S. 414 protects consumers like Susan by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

Karen of Oxford, North Carolina

"My major credit cards have all jacked up my interest rates except for one—my card from my credit union. One company increased my rates from 6.99% to 31.99%. I missed one payment in 2005; otherwise, I always pay more than the minimum. Another company is 24.99% now—I don't even know when they raised this one or why. Another card rate went from 16.99% to 24.99% 'because of the economy.' I never missed a payment at all on this one! How capricious is that? Between my last two paychecks, after I paid my bills (all on time and above the minimum payment) I had \$8 to live on until my next paycheck."

S. 414 protects consumers like Karen by prohibiting card issuers from using "any-time/any-reason" fine-print clauses to impose arbitrary rate hikes.

M.D. of Medina, North Dakota

"I was late one payment in 2005 with my credit card company (because I moved to another state to find a job) and I have been paying 32% for almost 3 years. I can no longer pay them; they have taken every dollar I earn and I am currently unemployed. The bank's late fee in 2005 pushed me over the limit, so every month I get an over-the-limit fee in addition to 32% interest. I've been on three re-payment programs with them and paid close to \$7,000.00 in 3 years and I am nowhere near my original credit limit. Their payment plans do not work and I truly believe they are not meant to work to help people get on track."

S. 414 protects consumers like M.D. by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations. In addition, S. 414 prohibits card issuers from imposing an over the limit fee if it is the issuer's own fee, not the consumer's credit transactions, which cause the account to go over the limit.

Virgil of Cincinnati, Ohio

"I have three credit cards with two card companies and two banks. I pay my bills on time and in full on two of the three accounts. I have good credit. The limit on the card that I carry was reduced by half, to the amount I owe – thus also lowering my credit rating. All three card companies shortened the time for payments by seven to ten days. Because I am gone a lot, I essentially only get my mail on weekends, and if I am also gone over a weekend (which happens), I cannot make my payments on time. Late payments equate to penalty fees and higher interest."

S. 414 protects consumers like Virgil by ensuring they have time to make a payment. The bill prohibits credit card companies from treating a payment as late unless the bill is mailed or delivered to the consumer at least 21 days before the due date.

Mark of Gahanna, Ohio

"Recently, two banks raised my interest rates due to no fault of mine. I have had both cards for several years and never missed a payment or was never late on a payment. I have carried substantial balances on both cards, earning the credit card companies money. When I called the first banks, they reviewed my account and said the increase was due to the economy. They offered to lower the interest rate to 19.94% on purchases and 25.49% on cash advances when they were previously 17.99% on purchases and 23.99% on cash advances before the rate increase to 21.99% on purchases and 29.99% on cash advances. I think they may have said it was all due to my credit risk, even though I was never late and never missed a payment to them or anyone else."

"When I called the second bank, I was told my account was reviewed and the interest rate was raised to 19.99% due to my credit risk rating. Again, I've never been late or missed a payment to them or anyone else. When I asked why my initial promotional offer of 3.99% for balance transfers for the life of the balance was raised to 19.99%, I was told a letter could be sent explaining the increase. What? I asked to speak to a representative who reviewed my account and was told that department did not have phones. How convenient!

"The bottom line is that due to my credit risk rating, my interest rates are being adjusted to higher rates. Now my payments are higher. Now I'm getting to the point where I cannot afford to make all payments. Which in turn, I believe, will screw my risk rating even more."

S. 414 protects consumers like Mark by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Sheila of Oklahoma City, Oklahoma

"Another trick the credit card companies are doing now is moving the due dates up. Every time I pay off a balance on my credit card, they move the due date up in hopes that the next payment will be late so they can charge late fees and interest. They just have to have that 28% interest by hook or crook. The consumer needs help. Please don't allow the credit card companies to water down these rules."

S. 414 protects consumers like Sheila by ensuring they have time to make a payment. The bill prohibits credit card companies from treating a payment as late unless the bill is mailed or delivered to the consumer at least 21 days before the due date

Kathleen of Corvallis, Oregon

"We have a high credit score of 850, pay on-time, and have never defaulted on a credit card. We should not be penalized when the credit card company approves a transaction that puts us over our credit limit. This has happened to us two times while we were traveling on vacation. It's a very effective 'scam' and should be stopped!"

S 414 protects consumers like Camille by giving them the choice to prohibit creditors from completing transactions that would place the account over the credit limit.

John of Huntingdon, Pennsylvania

"I have had a retail company credit card for 45 years and have never missed a payment in all that time, nor have I ever been delinquent (presumably that is why they issued a privilege platinum card). Today I received a notice of change in the terms of my card account from their bank increasing my interest rate to 22.85% as well all sorts of increased fees, late fees, etc. (That doesn't worry me as I am never late). The notice also

contains several arbitration clauses/changes which were not understandable in layman's language. You would have to be an attorney (what else?) to understand it."

S. 414 protects consumers like John by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Daniel of Oil City, Pennsylvania

"I made a late payment to a credit card. They immediately raised me to a default rate of almost 35% even though I had always paid more than minimum due and was trying to pay this card off. They also increased my minimum due by about 50 percent. I complained and was basically told that I was a deadbeat and they would keep me in the default state for a year."

S. 414 protects consumers like Daniel by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Jill of Cumberland, Rhode Island

I had a card with one company for about 10 years. I had never been late or missed a payment. My credit score was 750. I bought 2 houses in one year so the company decided to raise my interest rate from 3.9% to almost 30% because I had a lot of debt! I had about \$9,000.00 on the card because I had transferred a large balance for 0% interest for the LIFE of the transfer. Basically, they weren't making any money on me. By raising my interest to almost 30%, it made it extremely difficult for me to make the minimum payments therefore FORCING me to be late on payments, when I never was in the past causing me to ruin my credit!"

S. 414 protects consumers like Jill by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

William of Beaufort South Carolina

"Give me a break! I have a FICO of 739 which puts me at the top 5% of borrowers in the USA. They tried to go from 6% to 26% for who knows what reason. I have perfect payments on my end."

S. 414 protects consumers like William by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Tamara of Fairview, Tennessee

"I just got off the phone with my credit card company. I inquired about lowering my interest rate, recently raised to a phenomenal 28% due to 3 late payments within the last 12 months. Now, that may sound bad, however, the 'late payments' were NO MORE than a day or two past the due date. I have a great credit score and generally

make all of my payments on time. However, I started a new career this year in real estate, being new to the state in which I reside, and the market being down has made things rather difficult for me financially. I explained this to the supervisor at Washington Mutual and the only thing she said they could do was to bring the interest rate back to 22% which is where it was less than a month ago, not making much of an impact. This was not acceptable.

"I further explained that due to the high interest rate and finance charge it has begun to hinder my ability to pay down the total ultimately defeating the purpose. The supervisor at the company was not willing to budge and kept referring to our original agreement. My family is living on one income that barely gets us by until I can make ends meet in my new real estate career. This is why people go bankrupt!

"Credit card companies are unwilling to budge even with a person that has great credit, despite a couple late payments here and there, caused by rising interest rates and finance charges! I took the initiative to get the rate lowered considerably, based on my good credit score and they were unwilling to budge. I have taken on another part-time job, but due to the gas prices I don't have the option to drive long distances for better pay. Please do something to force the credit card companies to be more flexible with people with good credit scores, at least."

S. 414 protects consumers like Frank by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Jean of Memphis, Tennessee

"While I was in the hospital in intensive care, my credit card payment was one day late and my interest went from 7.5% to 29.9%. They refused to lower the rate after I called and explained what happened. Then, I had two increases in my interest rate because another card raised my interest. I had to take out a home equity loan to pay those credit cards off because I could not afford to pay the sky-high payments. I consider this nothing but highway robbery. I have always paid my payments on time and have paid most of my credit card debt because of the high interest rates. I feel sorry for those people who do not have that option.

"Congress should definitely pass a law to prevent what happened to me from happening to other people. The dispute resolution is a big joke, too – [the bank] said since the bill was in my name it must be mine, even though it was actually a mistake made by the doctor's office, which billed me 3 times for twelve appointments. The doctor's office said they corrected it, but never did. I had to quit going to that doctor because their records were so screwed up and their employees didn't care about correcting mistakes. The banks tried to ruin my credit because I complained about the error."

S. 414 protects consumers like Frank by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes. In addition, S. 414 protects consumers by eliminating the practice of "universal default." Under the bill, credit card

issuers would be prohibited from raising interest rates based a customer's bill paying record with other creditors.

Eric of Plano, Texas

"Just over a year ago, my credit card jumped from a 9.00 percent APR to a 17.99 percent APR, with no explanation why this happened. I had opened this account nine years ago, had never once paid late or missed a payment. Note: I have not been late on any other credit card payments either. In fact, for nine years I have paid the entire balance off each month.

"When I called the 1-800 line, the customer reps said that they did not need to provide me with a reason to suddenly raise my rate. They also refuse to lower my rate. I immediately stopped using the credit card as my primary credit card."

S. 414 protects consumers like Eric by prohibiting card issuers from using "anytime/any-reason" fine-print clauses to impose arbitrary rate hikes.

Marilyn of Woodville, Texas

"As parents of two college students, we were shocked and outraged when we realized that our children had received numerous credit card offers that only required their signature to receive a credit card and their own account. These college students had no income of their own and no money. They were allowed to open their own credit cards in their own names without our knowledge or permission. When their credit card balances quickly became more than they could manage, since they had no income, we paid off their balances to prevent damage to their credit rating.

"In hindsight, we probably should have let them default on the credit card balances. If all college students had done that, perhaps the credit card offers would have ceased long ago. The credit card companies have exercised poor judgment by sending these offers to unemployed students, knowing that parents would most likely bail out their students. The credit card companies seem to have all the power to damage anyone's credit while they have sent numerous offers to anyone without regard to their ability to pay. They definitely need to be held accountable for the damage they have caused to themselves and others. Their powers must be curtailed."

S. 414 protects consumers like Marilyn by limiting aggressive marketing and irresponsible lending to young consumers without the ability to repay debt.

Maggie of Raymondville, Texas

"I started paying my credit cards online. But guess what? You cannot make a same day payment! My bill was due on the 15th but the credit card company computer calendar is set up not to accept until the following day. Guess what I tried making over the phone and they charge \$15.00 for phone pay! I paid online and the next statement reflected a

\$39.00 late fee. My payment was only \$29.00. This is blatant abuse. The bank charges a \$1.00 fee for auto pays besides their monthly fee; this is double-dipping into our accounts. Of course this is only done to those accounts with the lowest balances and we need our money more."

S. 414 protects consumers like Maggie by prohibiting card issuers from charging extra fees when customers pay their bills by phone or online.

William of Arlington, Texas

"I have had a credit card with my bank for three years. In that time, I have never been over the credit limit or been late on a payment. In fact my credit scores are in excess of 700 at all three credit services. In October, my payment was received two days late. As a result, they have raised my interest rate on the balance owed to 28%! I am not asking for any debt to be erased, but it seems like it should be illegal for this to be allowed. It is ironic that all of these banks have their hands out wanting taxpayer bailouts, yet they can legally gouge consumers. When I spoke with a supervisor at the bank, I was told a very easy solution existed for me to avoid the interest increase. I could write them a check for the balance owed and I would not incur any additional interest. I don't believe I have ever felt as mad. I am an honest taxpayer, yet I was talked down to by some telephone customer service rep as if I was a deadbeat. This is all due to my being late by two days."

S. 414 protects consumers like William by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Donna of Houston, Texas

"Simply put, I paid one payment late and my rates were increased to over double what they were, making it impossible to ever pay the card off. I had a large amount on the card and my interest payments doubled where I was paying \$400.00 in interest alone. I tried to work with the credit card company but they refused. I eventually just had to quit paying on it realizing I could never pay it off. By the time I quit paying, I had paid enough to have paid off the original balance and another \$3,000.00 in interest but still owed almost what I started with."

S. 414 protects consumers like Donna by limiting the duration of a newly imposed penalty rate to six months if the consumer commits no further violations.

Scott of West Jordan, Utah

"I have a credit card that I have used to help an adult daughter get through a messy divorce and to help her get back on her feet. I've always paid more than the minimum due on this credit card and the payments were always sent well ahead of the due date. A couple of months ago, the payment arrived at the bank two days late. As a result, they increased the interest rate to 30%!

"Our family lives on a fixed income and this increase has made life very difficult for us. Calls to 'customer service' have been totally ineffective. I'm told, 'Nothing can be done.' When I ask for a manager or supervisor, I'm told that there isn't anyone who 'can help with this problem.' My credit rating has always been very important to me. As a result of this increase in interest rates and fees, it's very difficult to make even the minimum payment."

S. 414 protects consumers like Scott by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

James of Salem, Virginia

"Recently, my credit got close to the limit, however it did remain below the limit until the statement dropped and finance charges were added that put me over. When their finance charges put the card over-limit, the credit card company thought it was appropriate to assess me an over the limit fee. I contacted them several times and requested they remove this fee, as I made extra payments to get the credit back below the limit—as difficult as it was with a \$40 fee for their charges there—but I was told that it was in my user's agreement that they charge fees and that I should read it. What kind of bologna is that? I have had my account for years, and have never been late or over the limit. The one time it happens, I am told I am worthless and there is nothing they can do. Thanks for nothing."

S. 414 protects consumers like James by prohibiting card issuers from imposing an over the limit fee if it is the issuer's own fee, not the consumer's credit transactions, which cause the account to go over the limit.

Janet of West Rutland, Vermont

"I pay my credit card bills on time, every month, usually more than the minimum payment. I have a card for my in-home business. I started with a 7.99% interest. I missed a payment on another card while I was away on business and the company increased my rate to 18.9%. In the past month or so, they increased my rate to a whopping 34%! When I called to inquire why, I was told that they had determined that, even though I paid on time and more than the minimum each month, I am at risk for defaulting! I said, 'So, because you think I'm at risk for defaulting, you should raise my rate to ensure that I do!!?' I was told there was nothing they could do for me."

S. 414 protects consumers like Janet by eliminating the practice of "universal default." Under the bill, credit card issuers would be prohibited from raising interest rates based a customer's bill paying record with other creditors.

Camille of Port Angeles, Washington

"In August, I was able to go to a convention in Montreal, Quebec, for my union. I returned home to find one of my cards over limit. The company to date has credited me \$39. My bill due was \$400+. My question is: Why didn't they simply decline my card? I had other payment means. The only answer I have is greed. I have a \$500+ payment this month. I have managed a \$200 payment. I'm angry because it's dingy my credit score. I told them that there are two options from my point of view. Since they've already screwed up my credit, I can just stop paying and pocket the money or they can eliminate penalties."

S. 414 protects consumers like Camille by giving them the choice to prohibit creditors from completing transactions that would place the account over the credit limit.

Clifton of Elkins, West Virginia

"My experience occurred after April 3, 2007, the day I had an unexpected triple bypass. As a result my wife forgot to pay our credit card bill on time and we were penalized and charged interest. That's understandable. However, we always pay our account in full when due to avoid interest charges."

S. 414 protects consumers like Frank by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes.

Tracy of Onalaska, Wisconsin

"I have had to pay late fees for being THREE MINUTES late because I was in Central Time they were in Eastern Time on a pay-by-phone! They gladly allowed me to put the pay-by-phone fee \$14.95 on my statement. Which pushed me over the limit with the late fee for being three minutes late, then they charged me an over limit fee! And I'm sure with universal default, the others will sniff my mistake and raise their interest rates too. What a racket!"

S. 414 protects consumers like Frank by prohibiting retroactive interest rates and restricting the reasons for prospective interest rate hikes. In addition, S. 414 protects consumers like Tracy by prohibiting card issuers from imposing an over the limit fee if it is the issuer's own fee, not the consumer's credit transactions, which cause the account to go over the limit. The bill also prohibits card issuers from charging a fee when a customer pays a bill online or by phone.